

Xenia reports yet another success for one of its portfolio companies:

Playcast Signs an Agreement with French Telecom Giant Bouygues

According to Anat Segal, CEO of Xenia, “Our portfolio companies, in the IT as well as medical device fields, continue to show significant developments in entering markets with unique products”

Kiryat Gat, Israel – January 25, 2012 – Xenia Venture Capital (TASE: XENA) announced today that its portfolio company Playcast Media System (in which Xenia holds 12.16 percent, fully diluted) has signed a strategic agreement with French internet, mobile and cable provider Bouygues Telecom. Bouygues’ subscribers will be able to play console quality games (such as those played on Sony Playstation, Wii and Xbox) using their TVs, with no need for additional devices or for purchasing games. Playcast’s technology makes use of currently installed set-top-boxes. Subscribers pay monthly fees for the service.

According to Anat Segal, CEO of Xenia, “Xenia’s IT portfolio companies continue to enhance their activity in their target markets. This is Playcast’s third such agreement, in addition to those signed a few months ago with Portugal Telecom and Singapore’s Singtel. The Company is working on additional agreements. We believe that the further in the year we are, our portfolio companies – both in the IT and medical device fields – will continue to demonstrate significant developments which would create value for shareholders.”

According to Guy De Beer, CEO of Playcast: “France is one of the most advanced markets in the world as far as video games and digital TV services are concerned. Bouygues Telecom recognises that it can differentiate itself in a competitive marketplace by offering this new service which features AAA games. We are now bringing high-end games to a more casual audience. For example: users who play games on their mobiles or Facebook but would like to refrain from buying a console and games, particularly when both will soon be out of date.”

Playcast’s technology enables cable, satellite and IPTV service providers to offer their subscribers the most advanced gaming titles, using their set-top-boxes and with no need to purchase a console or games. The new service is expected to be launched in France in the spring. Playcast’s service is already live at Portugal Telecom, Portugal’s largest provider, and Singtel in Singapore.

Playcast partners with renowned publishers such as Activision, Atari, Capcom, Codemasters, Disney, Sega, THQ, Warner Bros and more, which feature the most popular gaming titles currently on the market. the service will go live with some of the world’s leading game titles, such as Street Fighter, Sonic Generations, MotoGP, Call of Duty, Homefront and Lego Batman.

Meanwhile, Agnès Touraine, former Chairman and CEO of Vivendi Universal Publishing, a 5 billion dollar company, has joined Playcast's board of directors. Under Touraine’s management, Vivendi Publishing acquired, and later sold, gaming giant

Blizzard Entertainment (which published such titles as World of Warcraft, StarCraft and Diablo). Touraine also is a partner at JVP, a leading investor in Playcast.

Playcast is currently negotiating with companies in Israel, Europe, the far east and the US to sign additional agreements.

About Xenia Venture Capital:

Xenia Venture Capital (TASE: XENA) is a publically traded investment company that operates a technological incubator and owns a franchise that entitles it to benefit from financing by the Office of the Chief Scientist of the State of Israel. Xenia Venture Capital specializes in investments in start-ups in the fields of IT, Internet, Communication and Medical Devices. Among Xenia's founders and main shareholders are Anat Segal (CEO), C. Mer Industries, leading institutional investors including IBI, Menora Insurance Group, Dash Apax, Mivne Taasia (of Fishman Group), and others. Xenia's Board of Directors and Advisory Board comprise of highly successful entrepreneurs, academia and high-tech industry executives, including Haim Mer, Tal Menipaz, Dr. Orna Berry, Roni Einav, Aki Ratner, Gideon Mantel, Dr. Yafit Stark, Prof. Yossi Shaham, and others. Xenia's goal is to jump-start and support entrepreneurs so as to increase their chances of success in global markets and enhance the realization of their companies' business potential. Since its establishment at the end of 2003, Xenia Venture Capital has invested in more than twenty companies, many of which have completed follow-on investment rounds, launched products in global markets, reached significant sales and profitability and formed valuable strategic partnerships. Leading IT portfolio companies include, among others, Correlix, Arcos, BandWD, Safepeak, Superfish, M-Photo, Intuview, Playcast, SAManage, BookPulse and Saguna. In the medical device field, Xenia has invested in BioProtect, NeatStitch, Medi-tate, Polypid, ActiVein, Xenolith, and OrthoSpace. Please visit our website at: www.xenia.co.il

About Playcast Media

Playcast Media has developed a video server which allows for the compression and transmission of high quality video games. Playcast's server enables cable and telecom service providers to offer their customers AAA grade gaming services, with the quality of online games and gaming consoles. This technology requires no change in the existing consumer side set top boxes or network infrastructure. Playcast's technology enables service providers to increase their ARPU without further infrastructure investments. Playcast was founded in 2007 by Guy De Beer, a former senior manager at Harmonic. Its investors include JVP, MK Capital and Xenia Venture Capital.

About Bouygues Telecom

Bouygues Telecom is a mobile, landline telephone and cable operator. Its workforce includes more than 9,000 employees. The company is a subsidiary of French mega corporation Bouygues Telecom, whose revenues in the past year topped \$42 billion.